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TO: ALL INSURERS AND INSURANCE PRODUCERS WITH A
PROPERTY LINE OF AUTHORITY

FROM: MICHAEL T. MCRAITH, DIRECTOR

RE: **COMPANY BULLETIN #2007-02**
FLOOD INSURANCE TRAINING REQUIREMENTS FOR
INSURANCE PRODUCERS WITH A PROPERTY LINE OF
AUTHORITY SELLING THROUGH THE NATIONAL FLOOD
INSURANCE PROGRAM (NFIP)

Section 207 of the Flood Insurance Reform Act of 2004 requires all producers selling flood insurance policies under the NFIP to be properly trained and educated about the NFIP to ensure producers may best serve their clients.

This Act¹ directs the Director of the Federal Emergency Management Agency, in cooperation with the insurance industry, State insurance regulators, and other interested parties to establish minimum training and education requirements for all insurance agents who sell flood insurance policies. FEMA and state approved continuing education providers have developed courses related to the NFIP. An insurance producer who sells flood insurance may satisfy the minimum training and education requirements by completing a course related to the NFIP, which may be approved for three hours of continuing education credit by the Illinois Division of Insurance. The failure to comply with this continuing education requirement may jeopardize the producer's authority to write insurance through the NFIP.

All Illinois licensed resident insurance producers who sell federal flood insurance policies must comply with the minimum training requirements of Section 207 of the Flood Insurance Reform Act of 2004, and basic flood education as outlined at 70 Fed.

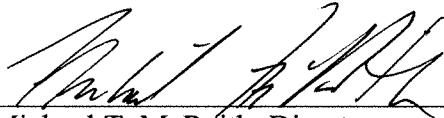
¹ SUPPLEMENTARY INFORMATION: On June 30, 2004 the President signed the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Flood Insurance Reform Act of 2004), Pub. L. 108-264. Section 207 of the Flood Insurance Reform Act of 2004 states:

The Director of the Federal Emergency Management Agency shall, in cooperation with the insurance industry, State insurance regulators, and other interested parties (1) Establish minimum training and education requirements for all insurance agents who sell flood insurance policies, and (2) Not later than 6 months after the date of enactment of this Act, publish these requirements in the Federal Register, and inform insurance companies and agents of the requirements.

Reg., 52, 117 (Sept. 1, 2005) (to be codified at **C>F>R> pt.*****)²
More information about the NFIP can be obtained by visiting its website at
<http://www.fema.gov/business/nfip/qanda.shtm>

A list of approved continuing education providers who have the three (3) hour certified flood training course which has been approved prior to 3/31/07 can be found on our website at <http://www.idfpr.com/doi/Producer/FEMAProviderList.pdf>
It is recommended that producers visit these websites to obtain information and check for further updates rather than phoning the Division of Insurance, high traffic volumes experienced at the Division could prohibit timely completion.

Licensed insurers shall demonstrate to the commissioner, upon request, that their licensed producers who sell federal flood insurance policies have complied with the minimum federal flood insurance training requirements.



Michael T. McRaith, Director
Illinois Division of Insurance
May 16, 2007

² This notice describes FEMA's implementation of section 207 of the Flood Insurance Reform Act of 2004. As required by the Act, FEMA has coordinated with the State insurance regulators, the insurance industry, and other interested parties. Input received from these organizations emphasizes the value of working through the State insurance departments to avoid establishing conflicting or burdensome training requirements upon insurance agents. While implementing the minimum training requirements required by section 207, FEMA has been mindful of the Senate Report language, (S. REP. NO. 108-262, at 4 & 9 (2004), which cautions: In some cases, states may already have requirements to ensure that agents are well versed in the flood insurance program. Where possible, FEMA should work to implement the training requirements through the states, which already have continuing education processes in place.